

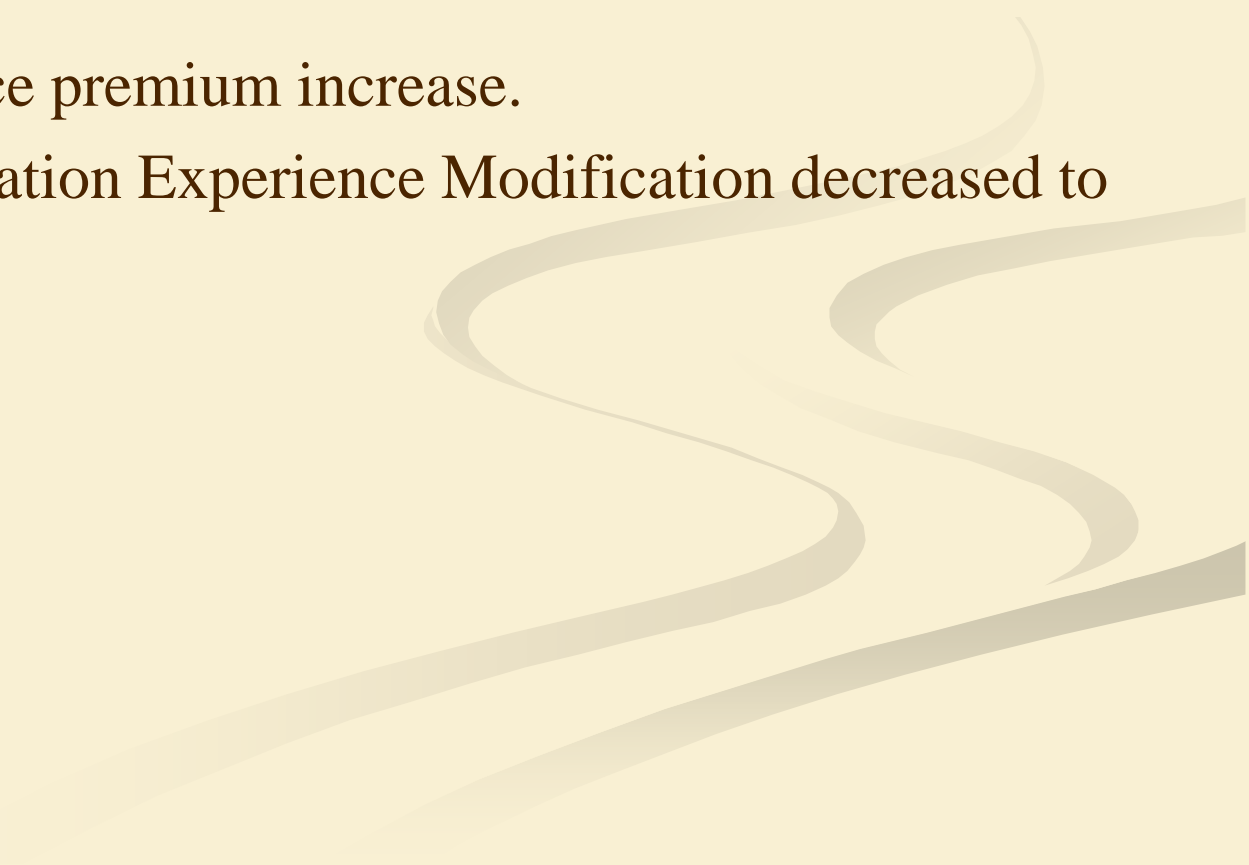
2019-2020 Preliminary Budget

April 23, 2019

Timeline

- Council budget work sessions in April - June
- Adopt preliminary budget on May 28th - State law requires adoption of Preliminary Budget on or before 3rd Monday in July). The Preliminary Budget sets the maximum limits for expenditures.
- Adoption of the Final Budget on July 23rd – required by the first Monday in August.
- Adoption of the Property Tax Levy on August 13th - deadline for the adoption of the property tax levy is the third Monday in August.

Preliminary Budget Assumptions

- 2% COLA included for employees
 - 1% Merit included for employees
 - ASRS retirement contribution rates increased to 12.11% from 11.80%.
 - 5% health insurance premium increase.
 - Workers Compensation Experience Modification decreased to 1.00 from 1.02.
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- A decorative graphic consisting of several overlapping, wavy, light gray lines that sweep across the bottom right portion of the slide, creating a sense of movement and depth.

WASTEWATER O&M

		2017-2018	2018-2019		2019-2020
Category		Actual	Projected	Budget	Budget
WASTEWATER EXPENSES					
Salaries		\$ 129,277.95	\$130,000.00	\$ 147,026.93	\$ 143,198.46
Fringes		\$ 57,129.62	\$ 61,353.86	\$ 64,450.60	\$ 74,717.94
Operating Expenses		\$ 24,444.35	\$ 31,181.00	\$ 34,650.00	\$ 36,667.00
Credit Card Fees		\$ 2,031.65	\$ 5,500.00	\$ 2,500.00	\$ 6,100.00
Electrical Service		\$ 67,886.14	\$ 78,000.00	\$ 78,000.00	\$ 79,000.00
Equipment Repairs		\$ 4,695.65	\$ 9,769.00	\$ 8,000.00	\$ 8,000.00
Equipment Purchase		\$ 8,465.80	\$ 13,000.00	\$ 24,000.00	\$ 10,000.00
Chemicals		\$ 32,903.47	\$ 30,000.00	\$ 33,000.00	\$ 30,000.00
Chemical Testing		\$ 26,512.04	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Sludge Removal		\$ 6,064.37	\$ 5,000.00	\$ 6,000.00	\$ 3,000.00
Liability & Property Insurance		\$ 17,224.32	\$ 15,100.89	\$ 15,100.89	\$ 15,855.94
Professional Service		\$ 1,093.07	\$ 6,500.00	\$ 3,258.00	\$ 3,300.00
Administration Fee		\$ 37,696.88	\$ 45,238.64	\$ 45,238.64	\$ 44,653.93
Contingency		\$ -	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Bad Debt		\$ 4,233.26	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00
Regulatory Fees - ADEQ		\$ 2,500.00	\$ 4,000.00	\$ 4,000.00	\$ 4,300.00
WW Expense Totals		\$ 422,158.57	\$507,043.39	\$ 537,625.06	\$ 531,193.28

WASTEWATER O&M

		2017-2018	2018-2019		2019-2020
Category		Actual	Projected	Budget	Budget
WASTEWATER REVENUES					
User Fees		\$ 694,603.77	\$712,000.00	\$ 718,662.00	\$ 734,442.00
Late Fees		\$ 10,913.91	\$ 10,000.00	\$ 11,195.00	\$ 11,000.00
Connection Fees		\$ 10,500.00	\$ 8,500.00	\$ 8,500.00	\$ 6,000.00
Contingency		\$ -	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Interest		\$ 89.09	\$ 25.00	\$ 500.00	\$ 23.28
Reclaimed Water Sales		\$ -	\$ -	\$ 22,000.00	\$ 2,500.00
WW Revenue Totals		\$ 716,106.77	\$770,525.00	\$ 800,857.00	\$ 793,965.28
		\$ 293,948.20	\$263,281.61	\$ 263,231.94	\$ 262,772.00
Debt Service and RR		\$ 263,289.00	\$263,232.00	\$ 263,232.00	\$ 262,772.00
		\$ 30,659.20	\$ 49.61	\$ -	\$ 0.00
Shows transfer towards WIFA debt service of \$218,772. and Replacement & Reserve of \$44,000.					
No rate increase scheduled for operations. User fee increase based on 25 new homes in FY 19-20.					

WASTEWATER CAPITAL PROJECTS

PLANT EXPANSION & SYSTEM & EQUIPMENT

- All revenue collection accounts for plant expansion costs and system repairs and equipment repairs are together.
 - Line Repairs – 2.50 monthly per connection
 - Capacity Fees - \$5,027 per home
 - Lift Station – No current collections
 - DS Reserve & Repair – \$321,615 is the amount we currently have set aside for debt service reserve and is the total required by WIFA, which we have to keep for the life of the loan. \$44,400 is annually budgeted for the remainder of loan for repair/replacement. We currently have \$100,835 in repair/replacement, which we can use towards the Wastewater treatment plant.
 - Impact (Development) Fee –\$239,400 must be used by January 2020

WW PLANT EXPANSION & SYSTEM & EQUIPMENT

WW PLANT EXPANSION & SYSTEM & EQUIPMENT		2017-2018	2018-2019		2019-2020
		Actual	Projected	Budget	Budget
Expenditures					
Contingency		\$ -	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Leased Tower Expense		\$ -	\$ 43,100.00	\$ 43,100.00	\$ 51,868.00
Shop Lease		\$ -	\$ 24,600.00	\$ 24,600.00	\$ 40,800.00
DF - Capacity Fees		\$ -	\$ 100,202.40	\$ 100,183.00	\$ 127,271.91
DF - Depreciation		\$ 4,722.11	\$ 638,387.66	\$ 638,089.00	\$ 679,601.66
DF - DS Reserve & Repair		\$ -	\$ 365,049.14	\$ 364,815.00	\$ 422,450.14
Debt Service Reserve		\$ 44,400.00	\$ 44,400.00	\$ 44,400.00	\$ 44,000.00
Debt Service		\$ 218,888.58	\$ 218,832.00	\$ 218,832.00	\$ 218,772.00
DF - Impact (Development) Fee		0.00	243,918.00	243,800.00	239,411.00
P&E Expense Totals		\$ 268,010.69	\$ 1,718,489.20	\$ 1,717,819.00	\$ 1,864,174.71
Revenues					
Contingency		\$ -	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Leased Tower Revenue		\$ 14,600.00	\$ 43,100.00	\$ 43,100.00	\$ 51,868.00
Shop Lease		\$ 6,400.00	\$ 24,600.00	\$ 24,600.00	\$ 40,800.00
Capacity Fees		\$ 15,638.17	\$ 101,002.40	\$ 100,183.00	\$ 127,271.91
DF - Depreciation		\$ 29,138.19	\$ 644,387.66	\$ 638,089.00	\$ 679,601.66
DF - DS Reserve & Repair		\$ 3,613.10	\$ 364,815.00	\$ 364,815.00	\$ 422,450.14
Transfer From O&M for Debt		\$ 263,289.00	\$ 263,231.94	\$ 263,231.94	\$ 262,772.00
DF - Impact (Development) Fee		\$ 1,914.33	\$ 246,418.00	\$ 243,800.00	\$ 239,411.00
P&E Revenue Totals		\$ 334,592.79	\$ 1,727,555.00	\$ 1,717,818.94	\$ 1,864,174.71

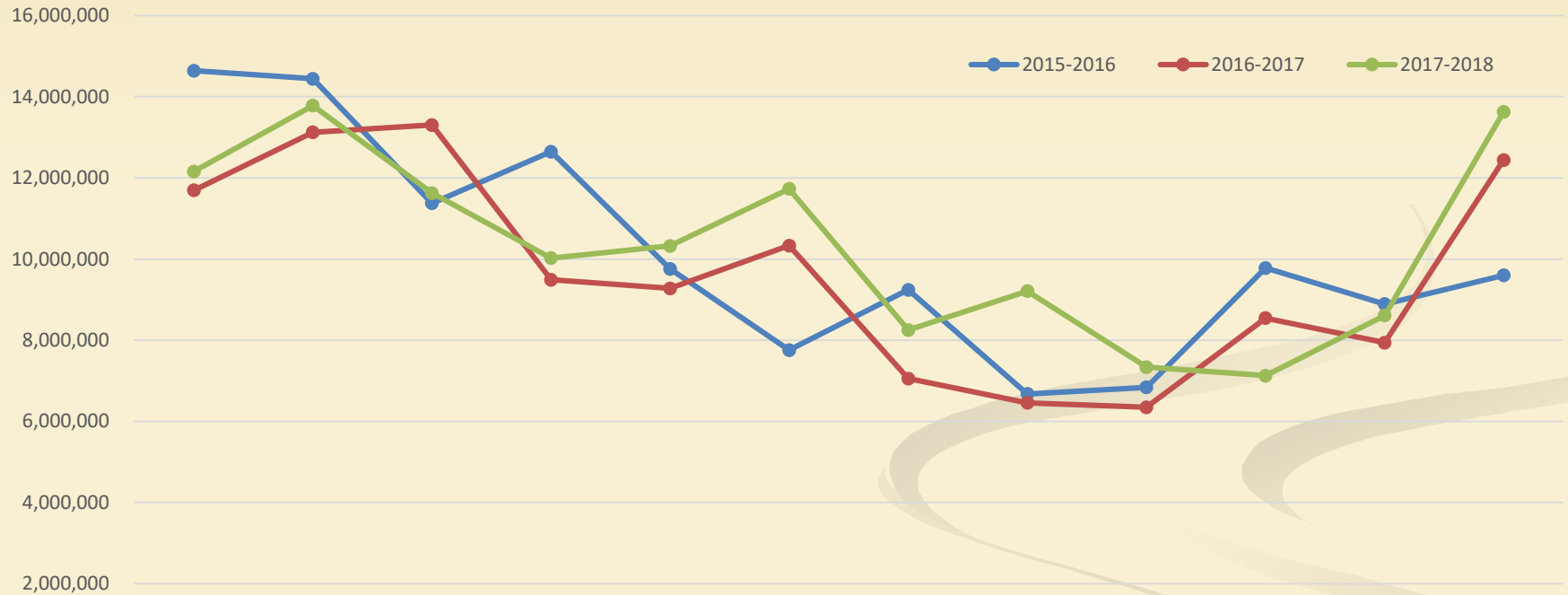
WATER OPERATION & MAINTENANCE

Expenditures		2017-2018	2018-2019		2019-2020
Category		Actual	Projected	Budget	Budget
Salaries		\$223,820.04	\$234,500.00	\$234,541.48	\$241,161.26
Fringes		\$102,560.98	\$108,522.83	\$108,522.83	\$119,562.99
Operating Expenses		\$56,598.12	\$70,900.00	\$67,300.00	\$71,075.00
Credit Card Fees		\$4,779.87	\$6,500.00	\$4,530.00	\$7,500.00
Travel/Train/ Certifications		\$3,593.16	\$2,800.00	\$3,500.00	\$7,000.00
Electric		\$81,040.61	\$95,000.00	\$105,000.00	\$95,000.00
Chemicals		\$42,725.42	\$45,000.00	\$45,000.00	\$50,000.00
Arsenic O&M		\$4,723.28	\$5,000.00	\$25,000.00	\$20,000.00
Equipment		\$12,644.81	\$20,040.58	\$21,680.00	\$28,150.00
Line Repairs		\$14,804.52	\$10,000.00	\$23,500.00	\$16,500.00
Liability & Property Insurance		\$12,889.32	\$10,716.39	\$10,716.39	\$11,600.00
Water Purchase from Cottonwood		\$0.00	\$1,500.00	\$1,500.00	\$1,500.00
Professional Service		\$11,773.27	\$2,100.00	\$1,500.00	\$5,000.00
ADEQ Fees		\$0.00	\$4,500.00	\$4,500.00	\$4,600.00
AIAC Obligations		\$736.54	\$1,275.00	\$850.00	\$130.00
Waterline Taps		\$1,336.43	\$429.73	\$500.00	\$1,000.00
Depreciation		\$175,000.00	\$175,000.00	\$175,000.00	\$180,000.00
Reimbursement Fee to GF		\$57,304.88	\$66,064.07	\$66,064.07	\$68,327.92
Contingencies		\$0.00	\$50,000.00	\$50,000.00	\$50,000.00
Bad Debt		\$6,766.00	\$2,500.00	\$2,500.00	\$3,500.00
Water O&M Expense Totals		\$813,097.25	\$912,348.60	\$951,704.77	\$981,607.17

WATER OPERATION & MAINTENANCE

Revenue		2017-2018	2018-2019		2019-2020
Category		Actual	Projected	Budget	Budget
WATER OPERATIONS & MAINTENANCE REVENUE					
Water Base/Usage Fees		\$ 1,316,493.51	\$ 1,335,000.00	\$ 1,319,000.00	\$ 1,349,679.00
System Replacement Surcharge		\$ 42,250.23	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
Connection Fee - Type A		\$ 14,000.00	\$ 12,500.00	\$ 12,500.00	\$ 12,000.00
Tap Fees		\$ -	\$ 500.00	\$ 500.00	\$ 1,000.00
Reconnection Fees		\$ 6,000.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00
Late Fees		\$ 16,380.49	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Contingencies		\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
General Revenue		\$ 3,565.74	\$ 2,700.00	\$ 2,700.00	\$ 1,865.92
Department Totals		\$ 1,398,689.97	\$ 1,469,200.00	\$ 1,453,200.00	\$ 1,483,044.92
Difference Revenues /Expense		\$ 585,592.72	\$ 557,351.40	\$ 501,495.23	\$ 501,437.75
DS for WIFA Refi /Infrastructure		\$ 457,460.78	\$ 454,585.30	\$ 454,585.30	\$ 454,536.32
DS for WIFA Twin 5s		\$ 51,925.60	\$ 46,910.00	\$ 46,910.00	\$ 46,899.00
		\$ 76,206.34	\$ 55,856.10	\$ (0.08)	\$ (0.00)
Shows transfer towards WIFA debt service for Refinance & Twin 5 water lines. No rate increase scheduled.					

WATER USE COMPARISON



	June	July	August	September	October	November	December	January	February	March	April	May
2015-2016	14,640,28	14,441,27	11,375,70	12,646,17	9,756,657	7,755,303	9,242,645	6,675,409	6,839,738	9,780,833	8,890,418	9,597,957
2016-2017	11,692,98	13,121,74	13,304,88	9,488,395	9,275,918	10,331,79	7,054,674	6,455,731	6,347,302	8,545,662	7,938,097	12,441,36
2017-2018	12,155,58	13,780,40	11,625,53	10,024,48	10,323,20	11,729,96	8,251,768	9,208,751	7,339,174	7,125,878	8,607,353	13,626,23

WATER CAPITAL IMPROVEMENTMENT

- All revenue collection accounts for capital improvement/repairs are together.
 - Adjudication and Settlement = .41 per month per meter
 - Regional Water Projects = .32 per month per meter
 - Water Resource Development Projects = \$4.00 per month
 - Water Conservation = .25 per month per meter
 - Depreciation = \$180,000 per year
 - Capacity Fees = \$2,322

WATER CAPITAL IMPROVEMENT

Expenditures - Revenues		2017-2018	2018-2019		2019-2020
WATER CIP		Actual	Projected	Budget	Budget
WATER CIP EXPENSE					
Monthly Surcharges		\$ 23,317.68	\$ 968,434.62	\$ 964,919.00	\$ 1,079,676.76
Twin 5s Debt Service		\$ 46,919.99	\$ 46,910.00	\$ 46,910.00	\$ 46,899.00
Refinance/Infrastructure Improvement DS		\$ 441,198.08	\$ 454,585.30	\$ 454,585.30	\$ 454,536.32
WIFA Infrastructure Construction		\$ 449,331.30	\$ -	\$ -	\$ -
DF - Water Impact Fees		\$ -	\$ 10,682.81	\$ 10,682.78	\$ 10,670.81
DF-Depreciation Expense		\$ 85,608.98	\$ 846,266.32	\$ 846,170.00	\$ 1,044,126.32
DF - Water Capacity Fees		\$ 40,631.59	\$ 232,289.18	\$ 254,115.00	\$ 348,503.85
Total Expenses		\$ 1,087,007.62	\$ 2,559,168.23	\$ 2,577,382.08	\$ 2,984,413.06
WATER CIP REVENUE					
Monthly Surcharges		\$ 102,255.26	\$ 107,595.00	\$ 107,595.00	\$ 111,040.28
WIFA Infrastructure Reimbursement		\$ 931,080.11	\$ -	\$ -	\$ -
DF - Water Impact Fees		\$ -	\$ 10,682.81	\$ 10,682.78	\$ 10,670.81
D F - Depreciation		\$ 91,620.22	\$ 840,266.32	\$ 840,170.00	\$ 1,044,126.32
DF - Monthly Surcharges		\$ 23,317.68	\$ 866,544.51	\$ 863,324.00	\$ 968,636.48
DF - Capacity Fees		\$ 97,910.68	\$ 232,289.18	\$ 254,115.00	\$ 348,503.85
Transfer in from Water O&M for WIFA		\$ -	\$ 501,495.30	\$ 501,495.30	\$ 501,435.32
Total Revenues		\$ 1,246,183.95	\$ 2,558,873.12	\$ 2,577,382.08	\$ 2,984,413.06

WATER/SEWER CONNECTION FEES

Meter Size	Current Fees	Proposed Fees New Construction
5/8" - 1"*	\$500.00	\$1,275.00
1"	\$650.00	\$1,500.00
1 1/2"	\$850.00	\$1,800.00
2"	\$1,150.00	\$2,350.00
3"	\$2,685.00	\$3,800.00
4"	\$3,635.00	\$5,800.00
6"	\$8,485.00	\$10,500.00
8"	\$11,485.00	\$14,750.00

WATER/SEWER MISC FEES

Item Description	Current Fees	Proposed Fees
Water Service Establishment Fee	\$25.00	\$50.00
Emergency Construction Turn On/Off -		
During Business Hours	\$50.00	No Change
After Hours	\$75.00	\$150.00
Reconnection Fee (Per Disconnect for Non-Payment)	\$25.00	\$50.00 + Additional Deposit To Equal Average Monthly Bill

SANITATION FUND

Expenditure		2017-2018	2018-2019		2019-2020
Category		Actual	Projected	Budget	Budget
SANITATION EXPENDITURES					
Salaries		\$ 23,047.03	\$ 24,500.00	\$ 26,171.48	\$ 33,664.60
Fringes		\$ 12,671.59	\$ 14,020.81	\$ 16,016.57	\$ 18,361.39
Designated Funds		\$ -	\$ 56,062.00	\$ 51,700.00	\$ 71,185.16
Operating Expenses		\$ 36,011.99	\$ 11,550.00	\$ 11,350.00	\$ 13,760.00
Credit Card Fees		\$ 3,644.30	\$ 3,600.00	\$ 3,600.00	\$ 4,000.00
Contractual -Trash Pick up		\$ 218,706.13	\$ 224,000.00	\$ 216,000.00	\$ 215,000.00
Contractual - Recycle		\$ 5,100.00	\$ 5,100.00	\$ 5,100.00	\$ -
Neighborhood CleanUp		\$ 1,000.00	\$ 4,300.00	\$ 4,300.00	\$ 6,500.00
Hazardous Waste Collection		\$ -	\$ -	\$ -	\$ 5,500.00
Administration Fee Transfer		\$ 26,636.36	\$ 28,253.80	\$ 28,253.80	\$ 29,678.60
Sanitation Total Expenses		\$ 326,817.40	\$ 371,386.61	\$ 362,491.85	\$ 397,649.75
SANITATION REVENUES					
User Fee's		\$ 321,469.63	\$ 326,800.00	\$ 320,000.00	\$ 328,728.00
Designated Funds		\$ 24,361.00	\$ 56,062.00	\$ 51,700.00	\$ 71,185.16
Interest		\$ 129.82	\$ 800.00	\$ 25.00	\$ 799.09
Late Fees		\$ 5,347.77	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Sanitation Total Revenues		\$ 351,308.22	\$ 388,662.00	\$ 376,725.00	\$ 405,712.25
		\$ 24,490.82	\$ 17,275.39	\$ 14,233.15	\$ 8,062.50
<p>New contract with Patriot resulted in a savings of \$9,000 in contract costs along with including the recycling collection area which saves an additional \$5,100 for Sedona Recycles. A community hazardous waste collection has been added for \$5,500. No fee increases have been included. Sanitation Designated Funds are \$71,185 remaining at the end of FY 2018/2019. No transfer has been made to the General Fund for Street projects as was done in the past.</p>					

TRASH RATES

	Current Cost	Current Fees	Proposal 1
96 gal Container	\$9.00	\$18.25	\$18.25
64 Gal Container	\$9.00	\$15.75	\$15.75
2 nd Container	\$4.00	+\$1.00	\$4.75
3 rd + Container	\$15.00	\$11.50	\$15.00
Total Net Revenue	-	\$8,059.50	\$54,862.50

TRASH RATES

	Current Cost	Current Fees	Proposal 1	Proposal 2
96 gal Container	\$9.00	\$18.25	\$18.25	\$16.75
64 Gal Container	\$9.00	\$15.75	\$15.75	\$16.25
2 nd Container	\$4.00	+\$1.00	\$4.75	\$4.75
3 rd + Container	\$15.00	\$11.50	\$15.00	\$16.25
Total Net Revenue	-	\$8,059.50	\$54,862.50	\$41,026.50

CEMETERY FUND

Expenditure	2017-2018	2018-2019		2019-2020
Category	Actual	Projected	Budget	Budget
Designated Funds - Bequest	\$ -	\$ 200,000.00	\$201,500.00	\$ 200,000.00
Salaries	\$ 16,719.34	\$ 8,680.00	\$ 18,886.40	\$ 13,979.16
Fringes	\$ 10,750.63	\$ 9,441.70	\$ 11,398.11	\$ 7,773.48
Liability & Property Insurance	\$ 3,046.70	\$ 2,325.00	\$ 2,325.00	\$ 2,441.25
Operating Expenses	\$ 9,743.75	\$ 10,864.13	\$ 9,225.00	\$ 9,818.00
Administration Fee Transfer	\$ 4,059.08	\$ 4,183.45	\$ 4,183.45	\$ 3,401.19
Cemetery Expense Totals	\$ 44,319.50	\$ 235,494.28	\$247,517.96	\$ 237,413.08
CEMETERY REVENUES				
Lot Sales	\$ 7,450.00	\$ 8,500.00	\$ 10,800.00	\$ 7,000.00
Interment	\$ 10,150.00	\$ 9,450.00	\$ 9,450.00	\$ 9,300.00
Interest	\$ 1,879.55	\$ 4,750.00	\$ 2,400.00	\$ 3,951.28
Grave Liners	\$ 4,260.00	\$ 2,900.00	\$ 5,767.96	\$ 4,500.00
Designated Funds-Bequest	\$ -	\$ 200,000.00	\$201,500.00	\$ 200,000.00
Transfer from General Fund	\$ -	\$ -	\$ -	\$ 2,500.00
Perpetual Care Transfer	\$ 20,580.00	\$ 10,000.00	\$ 17,600.00	\$ 10,162.00
Revenue Totals	\$ 44,319.55	\$ 235,600.00	\$247,517.96	\$ 237,413.28
At the end of FY 2019 approximately \$10,162 remains in Perpetual Care Funds which was transferred to help balance the budget. The General Fund budgeted a \$2,500 transfer to balance the fund since the Perpetual Care funds are gone. The GF transfer was less than expected due to savings in wages. We expect a larger transfer from the GF in FY 20-21.				

PERPETUAL CARE FUND

Expenditure	2017-2018	2018-2019		2019-2020
Category	Actual	Projected	Budget	Budget
PERPETUAL CARE EXPENSES				
Miscellaneous	\$0.00	\$0.00	\$4,000.00	\$3,000.00
Transfer to Cemetery	\$20,580.00	\$10,000.00	\$17,600.00	\$10,162.00
Perpetual Care Expense Total	\$20,580.00	\$10,000.00	\$21,600.00	\$13,162.00
PERPETUAL CARE REVENUES				
Perpetual Care Payments	\$3,142.50	\$2,975.00	\$4,000.00	\$3,000.00
Interest Income	\$56.14	\$0.00	\$0.00	\$0.00
Designated - Perpetual Care	\$0.00	\$10,000.00	\$17,600.00	\$10,162.00
Perpetual Care Revenue Total	\$3,198.64	\$12,975.00	\$21,600.00	\$13,162.00

CEMETERY FEES

Item Description	Current Fees	Proposed Fees
Half Lot	\$500.00	\$1,000.00
Half Lot Non-Resident (County)		
Half Lot Perpetual Care	\$175.00	\$500.00
Cremation Lot	\$300.00	
Cremation Lot Non-Resident (County)		
Cremation Lot Perpetual Care	\$175.00	
Verde Half Lot	\$500.00	\$1,200.00
Verde Lot Perpetual Care	\$965.00	
Single Burial Open/Close	\$650.00	
Single Burial Open/Close Non-Resident (County)		
Companion Open/Close	\$1,300.00	
Cremation Open/Close	\$200.00	\$300.00
Cremation Open/Close Non-Resident (County)		
After Town Hours Fee	\$200.00	\$500.00
Saturday Fee	\$500.00	
Hand Digging	NA	
Single Dome Fee	\$285.00	
Companion Dome Fee	\$480.00	
Oversize Dome Fee	\$420.00	
Steel Plate	NA	
Concrete/Metal Vault	NA	
Disinterment - burial	\$650	\$1,300.00
Disinterment - cremation	\$300	
Maintenance Setup (applies to single burial)	NA	
Transfer Fee	\$10.00	\$50.00
Early Burial (Less than 2 days notice) per day fee		150% of Open/Close

2019/2020 Special Budget Requests

The fund balance available is \$311,400 which can be designated for special requests that were not funded in operational budgets.

The list being presented is based upon staff review and their recommendation for allocation of the funds available.

The funds can remain allocated or can be re-designated by Council.